



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

May 26, 2016

AMENDED CERTIFICATION

Reggy Spencer
Superintendent
Colorado City Independent School District
P.O. Box 1268
Colorado City, Texas 79512

Dear Superintendent Spencer:

This application (Application #1042) was originally submitted on November 9, 2014, to the Colorado City Independent School District (the school district) by Luminant Generation Company LLC (the applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313^[1]. On January 16, 2015, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a Certificate for a limitation on appraised value on April 14, 2015. The applicant and school district executed an agreement for a limitation on appraised value (the agreement) on June 8, 2015.

On May 13, 2016, the Comptroller received an amendment to the agreement. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

The information provided by the applicant related to eligibility has not changed and therefore, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, the Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue

^[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The information provided by the applicant related to the limitation on appraised value as a determining factor has not changed and therefore, the Comptroller has determined that the applicant meets the requirement.

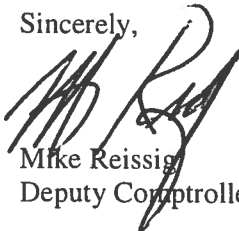
Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the amendment to the agreement by December 31, 2016.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of Luminant Generation Company, LLC (the project) applying to Colorado Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Luminant Generation Company, LLC.

Applicant	Luminant Generation Co., LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Solar
School District	Colorado ISD
October 2015 Enrollment in School District	1031
County	Mitchell
Qualifying Time Period	2017-2018
Proposed Total Investment in District	\$302,023,140
Proposed Qualified Investment	\$302,023,140
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant*	3
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$820
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$820
Minimum annual wage committed to by applicant for qualified jobs	\$42,657
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$100,674,380
Estimated M&O levy without any limit (15 years)	\$25,421,341
Estimated M&O levy with Limitation (15 years)	\$5,779,289
Estimated gross M&O tax benefit (15 years)	\$19,642,052
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Luminant Generation Company, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	183	539	721.68	\$9,127,971	\$33,474,568	\$42,602,539
2017	233	1,319	1552	\$14,847,971	\$83,540,701	\$98,388,672
2018	3	54	57	\$127,971	\$13,299,763	\$13,427,734
2019	3	9	12	\$127,971	\$8,294,881	\$8,422,852
2020	3	(21)	-18	\$127,971	\$4,510,701	\$4,638,672
2021	3	(32)	-29	\$127,971	\$1,703,084	\$1,831,055
2022	3	(36)	-33	\$127,971	\$726,521	\$854,492
2023	3	(32)	-29	\$127,971	-\$250,041	-\$122,070
2024	3	(34)	-31	\$127,971	-\$494,182	-\$366,211
2025	3	(11)	-8	\$127,971	-\$494,182	-\$366,211
2026	3	(17)	-14	\$127,971	-\$860,393	-\$732,422
2027	3	(13)	-10	\$127,971	-\$616,252	-\$488,281
2028	3	(13)	-10	\$127,971	-\$860,393	-\$732,422
2029	3	(13)	-10	\$127,971	-\$616,252	-\$488,281
2030	3	(9)	-6	\$127,971	-\$616,252	-\$488,281

Source: CPA, REMI, Luminant Generation Company, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Colorado ISD I&S Tax Levy	Colorado ISD M&O Tax Levy	Colorado ISD M&O and I&S Tax Levies	Mitchell County Tax Levy	Mitchell County Hospital Dist Tax Levy	Lone Wolf Groundwater District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.4380	1.1700		0.4413	0.2050	0.0222	
2016	\$2,043,371	\$2,043,371		\$8,950	\$23,907	\$32,857	\$9,017	\$4,189	\$454	\$46,518
2017	\$39,563,805	\$39,563,805		\$173,289	\$462,897	\$636,186	\$174,595	\$81,105	\$8,799	\$900,685
2018	\$302,084,443	\$302,084,443		\$1,323,130	\$3,534,388	\$4,857,518	\$1,333,099	\$619,270	\$67,184	\$6,877,070
2019	\$278,105,288	\$278,105,288		\$1,218,101	\$3,253,832	\$4,471,933	\$1,227,279	\$570,113	\$61,851	\$6,331,175
2020	\$254,126,340	\$254,126,340		\$1,113,073	\$2,973,278	\$4,086,352	\$1,121,460	\$520,956	\$56,518	\$5,785,285
2021	\$230,147,604	\$230,147,604		\$1,008,047	\$2,692,727	\$3,700,773	\$1,015,641	\$471,800	\$51,185	\$5,239,400
2022	\$203,169,080	\$203,169,080		\$889,881	\$2,377,078	\$3,266,959	\$896,585	\$416,495	\$45,185	\$4,625,223
2023	\$176,190,771	\$176,190,771		\$771,716	\$2,061,432	\$2,833,148	\$777,530	\$361,189	\$39,185	\$4,011,052
2024	\$149,212,678	\$149,212,678		\$653,552	\$1,745,788	\$2,399,340	\$658,476	\$305,884	\$33,185	\$3,396,885
2025	\$119,234,805	\$119,234,805		\$522,248	\$1,395,047	\$1,917,296	\$526,183	\$244,430	\$26,518	\$2,714,427
2026	\$92,257,153	\$92,257,153		\$404,086	\$1,079,409	\$1,483,495	\$407,131	\$189,126	\$20,518	\$2,100,270
2027	\$74,279,725	\$74,279,725		\$325,345	\$869,073	\$1,194,418	\$327,796	\$152,273	\$16,520	\$1,691,007
2028	\$65,302,522	\$65,302,522		\$286,025	\$764,040	\$1,050,065	\$288,180	\$133,870	\$14,523	\$1,486,637
2029	\$62,325,547	\$62,325,547		\$272,986	\$729,209	\$1,002,195	\$275,043	\$127,767	\$13,861	\$1,418,865
2030	\$62,348,803	\$62,348,803		\$273,088	\$729,481	\$1,002,569	\$275,145	\$127,814	\$13,866	\$1,419,395
2031	\$62,372,291	\$62,372,291		\$273,191	\$729,756	\$1,002,946	\$275,249	\$127,863	\$13,872	\$1,419,930
					Total	\$34,938,049	\$9,588,409	\$4,454,145	\$483,223	\$49,463,825

Source: CPA, Luminant Generation Company, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Mitchell County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Colorado ISD I&S Tax Levy	Colorado ISD M&O Tax Levy	Colorado ISD M&O and I&S Tax Levies	Mitchell County Tax Levy	Mitchell County Hospital Dist Tax Levy	Lone Wolf Groundwater District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.4380	1.1700		0.4413	0.2050	0.0222	
2016	\$2,043,371	\$2,043,371		\$8,950	\$23,907	\$32,857	\$9,017	\$4,189	\$454	\$46,518
2017	\$39,563,805	\$39,563,805		\$173,289	\$462,897	\$636,186	\$174,595	\$81,105	\$8,799	\$900,685
2018	\$302,084,443	\$20,000,000		\$1,323,130	\$234,000	\$1,557,130	\$0	\$0	\$67,184	\$1,624,313
2019	\$278,105,288	\$20,000,000		\$1,218,101	\$234,000	\$1,452,101	\$0	\$0	\$61,851	\$1,513,952
2020	\$254,126,340	\$20,000,000		\$1,113,073	\$234,000	\$1,347,073	\$0	\$0	\$56,518	\$1,403,591
2021	\$230,147,604	\$20,000,000		\$1,008,047	\$234,000	\$1,242,047	\$0	\$0	\$51,185	\$1,293,231
2022	\$203,169,080	\$20,000,000		\$889,881	\$234,000	\$1,123,881	\$0	\$0	\$45,185	\$1,169,065
2023	\$176,190,771	\$20,000,000		\$771,716	\$234,000	\$1,005,716	\$0	\$0	\$39,185	\$1,044,900
2024	\$149,212,678	\$20,000,000		\$653,552	\$234,000	\$887,552	\$0	\$0	\$33,185	\$920,736
2025	\$119,234,805	\$20,000,000		\$522,248	\$234,000	\$756,248	\$0	\$0	\$26,518	\$782,766
2026	\$92,257,153	\$20,000,000		\$404,086	\$234,000	\$638,086	\$0	\$0	\$20,518	\$658,604
2027	\$74,279,725	\$20,000,000		\$325,345	\$234,000	\$559,345	\$0	\$0	\$16,520	\$575,865
2028	\$65,302,522	\$65,302,522		\$286,025	\$764,040	\$1,050,065	\$288,180	\$133,870	\$14,523	\$1,486,637
2029	\$62,325,547	\$62,325,547		\$272,986	\$729,209	\$1,002,195	\$275,043	\$127,767	\$13,861	\$1,418,865
2030	\$62,348,803	\$62,348,803		\$273,088	\$729,481	\$1,002,569	\$275,145	\$127,814	\$13,866	\$1,419,395
2031	\$62,372,291	\$62,372,291		\$273,191	\$729,756	\$1,002,946	\$275,249	\$127,863	\$13,872	\$1,419,930
					Total	\$15,295,996	\$1,021,980	\$474,745	\$469,351	\$16,259,127
					Diff	\$19,642,052	\$8,566,428	\$3,979,400	\$13,872	\$33,204,698
County, Midland College, and the Middle Mitchell Groundwater District.										

Source: CPA, Luminant Generation Company, LLC

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that Luminant Generation Co., LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment and investment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$23,671	\$23,671	\$0	\$0
	2016	\$23,907	\$47,578	\$0	\$0
	2017	\$462,897	\$510,475	\$0	\$0
Limitation Period (10 Years)	2018	\$234,000	\$744,475	\$3,300,388	\$3,300,388
	2019	\$234,000	\$978,475	\$3,019,832	\$6,320,220
	2020	\$234,000	\$1,212,475	\$2,739,278	\$9,059,498
	2021	\$234,000	\$1,446,475	\$2,458,727	\$11,518,225
	2022	\$234,000	\$1,680,475	\$2,143,078	\$13,661,303
	2023	\$234,000	\$1,914,475	\$1,827,432	\$15,488,735
	2024	\$234,000	\$2,148,475	\$1,511,788	\$17,000,524
	2025	\$234,000	\$2,382,475	\$1,161,047	\$18,161,571
	2026	\$234,000	\$2,616,475	\$845,409	\$19,006,979
	2027	\$234,000	\$2,850,475	\$635,073	\$19,642,052
Maintain Viable Presence (5 Years)	2028	\$764,040	\$3,614,514	\$0	\$19,642,052
	2029	\$729,209	\$4,343,723	\$0	\$19,642,052
	2030	\$729,481	\$5,073,204	\$0	\$19,642,052
	2031	\$729,756	\$5,802,960	\$0	\$19,642,052
	2032	\$730,033	\$6,532,993	\$0	\$19,642,052
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$730,314	\$7,263,307	\$0	\$19,642,052
	2034	\$730,597	\$7,993,904	\$0	\$19,642,052
	2035	\$730,883	\$8,724,787	\$0	\$19,642,052
	2036	\$731,172	\$9,455,958	\$0	\$19,642,052
	2037	\$731,463	\$10,187,422	\$0	\$19,642,052
	2038	\$731,758	\$10,919,180	\$0	\$19,642,052
	2039	\$732,056	\$11,651,235	\$0	\$19,642,052
	2040	\$732,356	\$12,383,591	\$0	\$19,642,052
	2041	\$732,660	\$13,116,251	\$0	\$19,642,052
	2042	\$732,966	\$13,849,217	\$0	\$19,642,052

\$13,849,217

is less than

\$19,642,052

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

Source: CPA, Luminant Generation Co., LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	183	539	721.68	\$9,127,971	\$33,474,568	\$42,602,539	4493713	-1243591	\$5,737,304
2017	233	1,319	1552	\$14,847,971	\$83,540,701	\$98,388,672	11299133	-2197266	\$13,496,399
2018	3	54	57	\$127,971	\$13,299,763	\$13,427,734	648499	1602173	-\$953,674
2019	3	9	12	\$127,971	\$8,294,881	\$8,422,852	541687	1541138	-\$999,451
2020	3	(21)	-18	\$127,971	\$4,510,701	\$4,638,672	396729	1419067	-\$1,022,338
2021	3	(32)	-29	\$127,971	\$1,703,084	\$1,831,055	274658	1266479	-\$991,821
2022	3	(36)	-33	\$127,971	\$726,521	\$854,492	205994	1113892	-\$907,898
2023	3	(32)	-29	\$127,971	-\$250,041	-\$122,070	175476	938416	-\$762,940
2024	3	(34)	-31	\$127,971	-\$494,182	-\$366,211	167847	801086	-\$633,239
2025	3	(11)	-8	\$127,971	-\$494,182	-\$366,211	205994	648499	-\$442,505
2026	3	(17)	-14	\$127,971	-\$860,393	-\$732,422	106812	534058	-\$427,246
2027	3	(13)	-10	\$127,971	-\$616,252	-\$488,281	91553	396729	-\$305,176
2028	3	(13)	-10	\$127,971	-\$860,393	-\$732,422	45776	289917	-\$244,141
2029	3	(13)	-10	\$127,971	-\$616,252	-\$488,281	15259	221252	-\$205,993
2030	3	(9)	-6	\$127,971	-\$616,252	-\$488,281	15259	122070	-\$106,811
2031	3	(11)	-8	\$127,971	-\$860,393	-\$732,422	-30518	30518	-\$61,036
2032	3	(7)	-4	\$127,971	-\$372,112	-\$244,141	-38147	-15259	-\$22,888
2033	3	(5)	-2	\$127,971	-\$372,112	-\$244,141	-76294	-122070	\$45,776
2034	3	(9)	-6	\$127,971	-\$860,393	-\$732,422	-137329	-183105	\$45,776
2035	3	(13)	-10	\$127,971	-\$860,393	-\$732,422	-198364	-236511	\$38,147
2036	3	(15)	-12	\$127,971	-\$1,348,674	-\$1,220,703	-236511	-320435	\$83,924
2037	3	(17)	-14	\$127,971	-\$2,081,096	-\$1,953,125	-274658	-404358	\$129,700
2038	3	(19)	-16	\$127,971	-\$2,325,237	-\$2,197,266	-259399	-450134	\$190,735
2039	3	(19)	-16	\$127,971	-\$1,592,815	-\$1,464,844	-289917	-511169	\$221,252
2040	3	(21)	-18	\$127,971	-\$3,301,799	-\$3,173,828	-350952	-579834	\$228,882
2041	3	(21)	-18	\$127,971	-\$2,813,518	-\$2,685,547	-396729	-640869	\$244,140
2042	3	(24)	-21	\$127,971	-\$2,813,518	-\$2,685,547	-381470	-656128	\$274,658
					Total		\$16,014,101	\$3,364,565	\$12,649,536
							\$26,498,753	is greater than	\$19,642,052
Analysis Summary									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

Source: CPA, REMI, Luminant Generation Co., LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.